JUNE 14, 1965

WHAT THE EEC'S CAP
COULD COST ITS MEMBERS

ISRAELI FEED GRAIN IMPORTS

IN-STORE PROMOTION OF
U.S. FOODS IN BRITAIN

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

JUNE 14, 1965

VOL III • NUMBER 24

Rice from southern USA swings from boat to dock, Tokyo, mid-May. Part of an 80,000-metric-ton purchase, this is first southern rice Japan has bought in 8 years.

Contents

Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington, D. C. 20250. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is $7.00, domestic, $9.25 foreign; single copies are 20 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington, D. C. 20401.

What the EEC Agricultural Policy Could Cost Its Members

Most member nations will benefit from the Agricultural Guidance and Guarantee Fund but, according to the latest proposals, the outlay may be considerable.

By REED E. FRIEND
Foreign Regional Analysis Division
Economic Research Service

A major issue now facing the European Economic Community (EEC) is the future financing of its Common Agricultural Policy (CAP). Existing regulations take care of this problem until June 30, but what will happen after July 1 and in the coming months and years is the question at hand. The decision involves a high price tag in terms of costs and benefits for each member nation as well as the more basic issue of democratic control of the funds.

Although 1964-65 expenditures by the Common Market's agricultural fund—the European Agricultural Guidance and Guarantee Fund—are placed at about $223 million, estimates for 1967-68 expenditures now range from about $1,300 million to $1,700 million. This increased outlay would be the result of the Fund's assuming all expenses under a fully implemented CAP.

Commission proposals

On April 1, 1965, the EEC Commission submitted proposals to the Council of Ministers concerning the future financial arrangements of the Fund. The following three points appears as the most significant:

- On July 1, 1967, the Fund would assume all the expenses of a fully implemented CAP.
- On July 1, 1967, all proceeds from the agricultural levies and a part of the customs duties on industrial products would flow into the Community treasury and be used to finance all Community expenditures, including the CAP.
- The Treaty of Rome would be modified to permit the European Parliament to exercise more control over financial questions.

CAP ahead of schedule

Under Point 1, the Fund's expenditures after July 1, 1967, would cover export subsidies and market intervention costs (guarantee section) and a variety of long-term structural improvements (guidance section). This development would coincide with the establishment of a single market for all the agricultural products placed under the jurisdiction of the Common Market. The Rome Treaty had set 1970 as the time for the establishment of a single market, so this accomplishment would be 2½ years ahead of schedule.

The Commission has proposed that between July 1, 1965, and July 1, 1967, the Fund continue to increase its share of the common agricultural expenses, assuming two-thirds of the cost in 1965-66 and five-sixths in 1966-67. After July 1, 1967, expenditures for the guidance section—previously limited to one-third of the amount spent under the guarantee section—are to become somewhat independent of the guarantee section. The current proposal is that the amount spent in the Fund's guidance section in any single year should be at least equal to the average appropriations of the preceding 2 years.

Financed by Community treasury

Under point 2, beginning July 1, 1967, all of the funds collected from agricultural levies and a part of the customs duties on industrial products would go into the Community treasury and finance all Community expenditures, including the CAP. Experts believe that the agricultural levies alone will not be sufficient to cover the costs of the Common Agricultural Policy. The percentage of customs revenue going to the Community fund would continue to increase until 1972, when all duties would accrue to the Community and establish its complete budgetary independence of member state contributions.

The Commission has also proposed that the Fund collect its 1965-66 financial needs from the member states in the following percentages: Belgium, 7.96; Germany, 32.35; France, 32.35; Italy, 18.00; Luxembourg, 0.22; Netherlands, 9.12. The proposed contributions for 1966-67 remain the same for Belgium and Luxembourg but are modified for Germany and France (each at 30.59 percent), Italy (22.00 percent), and the Netherlands (8.64 percent).

During 1964-65, 80 percent of the contributions to the Funds was paid according to the scale established in Article 200(1) of the Rome Treaty, while the other 20 percent was paid according to the proportion of net agricultural imports each member country took from third countries.

More control by Parliament

Point 3 aims at achieving more responsibility for the European Parliament (Assembly) which is composed of appointed delegates from the Parliaments of individual member nations. Under present arrangements, the Community's legislative and executive powers are centered mainly in the EEC's Council of Ministers and Commission, and the Parliament has little genuine authority.

Several of the member nations, in particular the Netherlands, have worked aggressively for the Assembly's being elected by direct suffrage and the extension of a degree of real power to this body. Although the Commission proposal would not permit Parliament to block any proposal entirely, it would require a larger Council vote to act against the opinion of Parliament.

Fund operations thus far

Indications are that no member state to date has actually received any reimbursement from the Fund. The following data are based on requests for reimbursements and budgetary estimates.

Fund expenditures are expected to increase from $37.9 million for 1962-63 to $73.3 million for 1963-64 to $223.0 million for 1964-65. Not only is this the result of the Fund's having annually increased its share of respon-

sibility under the guarantee section—from one-sixth to one-third to one-half—but an increasing number of products have been subject to the Common Market organization.

Cereals (excluding durum wheat and rice), pigmeat, eggs, and poultry were brought under Common Market organization as far back as 1962, while dairy produce, beef and veal, and rice were added in 1964. Durum wheat and tobacco may be included in the near future, and supplemental fruit and vegetable regulations are currently under discussion.

France/Netherlands to gain most

Fund expenditures, in compliance with existing regulations, approximate a 75/25 percent financial split between guarantee and guidance operations. As a result, costs for export subsidies and market interventions are calculated at $28.4 million for 1962-63, $55 million for 1963-64, and $167 million for 1964-65. On a Community-wide basis, about 80 percent of the annual guarantee expenditure during 1962-65 will go for subsidies for exports to third countries. While France and the Netherlands will receive the greatest export subsidy reimbursement (Germany will receive nothing), all countries will receive some reimbursement for their annual market intervention operations.

France will benefit heavily under the Fund's guarantee section. About 85 percent of the 1962-64 annual outlay and two-thirds of the 1964-65 outlay will go to France. The Netherlands will receive about one-fifth of the 1964-65 outlay largely because of reimbursements expected on milk subsidies. Grain is the product on which the French will receive largest reimbursements.

Information is not available on the allocation of funds under the guidance section. The Community has received a large number of project requests—and some projects have been approved—but the total financial assistance requested by member states is far in excess of the funds available for this operation. Italy has been promised very favorable consideration under this section of the Fund.

World Cattle Numbers Reach New High of Over 1 Billion Head

In early 1965, the world cattle population was estimated at 1,084 million cattle and buffaloes, 2 percent more than 1964 levels and 11 percent above the 1956-60 average.

Numbers increased in all geographical regions in 1964, with the largest gains in South America, Oceania, and the USSR. Moderate increases occurred in Asia and North America, still smaller ones in Europe—both Eastern and Western—and in Africa.

High cattle prices and the good outlook for export demand are encouraging expansion in Australia, New Zealand, Canada, and Mexico as well as in many Central and South American countries, and conditions seem favorable for further expansion. In most European countries, feed shortages and low returns from dairying caused numbers to decline slightly from 1963 to 1964, but these are now rising since feed supplies have improved, and dairying has become more profitable.

Numbers in *North America* are 17 percent above the 1956-60 average, with new highs in the United States, Mexico, Canada, and several Central American countries. The rate of increase is likely to slow down in the United States and Canada and to accelerate in most of the other countries.

South America has 175 million cattle, about 12 percent above the 1956-60 average. In Argentina, where numbers dropped sharply in 1962-63, the herds are still not quite back to the 5-year average, whereas in Uruguay numbers are considerably above the average though lower than the 1963 and 1964 peaks. Brazil, Colombia, Peru and Venezuela have apparently set new records.

Numbers in *Western Europe* increased 400,000 head in 1964 following the 1.6-million drop the previous year. All the European Economic Community countries, except Italy, showed a rise: the total for the Six in 1965 was 48 million compared with 47.8 million the previous year. In Ireland, numbers have continued to rise steadily, but in Denmark, which has upped cattle exports to capitalize on the strong demand for cattle and beef in Western Europe, numbers are still declining.

Apparently, there was a slight increase in *Eastern Europe's* cattle numbers during 1964, for the 1965 total of 33 million head was 9 percent above the 1956-60 level. Numbers in Yugoslavia are below those of 1963 because of the large slaughter and large exports in recent years. Only moderate increases have occurred in other countries of the area because of emphasis on other production.

Cattle numbers in the *USSR* are reported at 87 million head, an increase of 2 percent over 1964 and 31 percent above the 1956-60 average, which represents the greatest rise in numbers in any major area of the world.

In most *African* countries, numbers continue to show a steady upward trend, although the rate of increase for the continent as a whole is relatively slow. At 120 million they are only 7 percent above the 1956-60 figure. Although there has been considerable development of the packing industries in recent years, and some countries, notably Kenya and Southern Rhodesia, are beginning to export meat in considerable volume, most of Africa's cattle are handled by nomads and are unproductive.

Bovine numbers in *Asia* show mixed trends. The 398 million head reported for 1965 is 2 percent above 1964 levels and 6 percent above the 1956-60 average. In India, which has more than one-fifth of the world's cattle and buffalo, numbers are probably increasing slowly and steadily. In China, where they declined sharply in 1958-59, they reportedly have increased because of a more favorable food and feed situation. Japan's cattle numbers have been relatively stable in recent years at a level considerably above that of 1956-60, and not much increase is expected in the future under ordinary conditions. In the Philippines, some cattle ranches have been formed, and there has been a moderate increase in cattle numbers.

Oceania's cattle numbers rose 2 percent during 1964 to set a new record. In Australia and New Zealand, the cattle population is at an alltime high, and both countries have a very large potential for increasing cattle numbers and beef production. If world demand for beef continues strong and there are no severe droughts in Australia, there will be considerable increase in cattle numbers in both countries in the next few years. There may even be a tendency for sheep producers to shift to cattle in view of the world decline in wool prices.

Land-Short Israel Having To Import More Feed Grains

Rapid growth in feed consumption by Israel's expanding livestock and poultry industries, coupled with a static domestic grain production, indicates that Israel will be importing more U.S. feed grains in coming years.

Since 1961 the likelihood of increased imports has been building, with consumption showing a steady rise, to an estimated 585,000 metric tons in 1965 from 466,000 in 1961, and production staying at around 100,000 tons yearly. Through 1964, the country was able to pretty much avoid "the inevitable" import rise by working down stocks that had been accumulated in the early 1960's. But grain production in 1964 did not come up to estimated levels, stocks dipped to virtually nothing, and Israel is now importing much more grain.

Imports up in 1965

This year, imports are estimated to rise to around 500,000 tons compared with the 1964 level of 338,000 and 1961's 368,740. The largest share of these will again come from the United States, which in past years has supplied around 90 percent of the total. Part of the bigger imports will, of course, go toward building the stock level, but the current production picture indicates that they will be followed by more of the same.

The limited amount of growing area in Israel has for some time kept feed grain acreage down. And now the greater return from wheat is resulting in an increase in that product's acreage at the expense of feed grains. For example, the area planted to wheat this season is estimated at 162,500 acres against 139,500 in 1964, whereas that for barley dropped to 137,500 from 182,800 and for sorghums, to 62,500 from 73,500.

Poultry industry a big consumer

Israel's egg exports have declined greatly in recent years, but rising domestic requirements for both eggs and poultry meat have kept this industry—and its use of feed grains—growing. In 1964, it accounted for some 320,000 tons of feed grains compared with about 230,000 for all other livestock feed consumers. Most of the imported corn and a large portion of the sorghums are fed to poultry. Use of barley is limited mainly to cattle, goat, and sheep feeds.

Layer and breeder feed formulas now include 45 percent corn and from 10.7 to 17.7 percent sorghum. Chick rations include between 44 percent and 67 percent sorghum, and from 10 to 20 percent corn. The layer and breeder formulas, however, are undergoing changes as a result of recent animal nutrition research, and beginnning this year, there will be an almost complete reversal in the percentages of corn and grain sorghum. When this change is fully

In Israel, production of cattle and poultry (above, left and right) is increasing, with the result that import requirements for feed grains are also rising. Right, pneumatic elevators discharging grain from ship's hold.

Photos supplied by Israeli Ministry of Agriculture

effective, imports of corn will be reduced below the recent annual level of 180,000 tons and grain sorghums will rise.

Partly because of their intensive feeding practices, the dairy industries in Israel are highly efficient, with a countrywide annual milk yield of about 9,900 pounds per cow. But under the government's policy of producing less milk than is needed for all purposes and importing dairy products instead, numbers of dairy cattle fed will increase slowly above the some 70,000 head of the last two or three years; consequently feed grain requirements for dairy cattle are not likely to increase greatly.

Beef industry taking more

A new and bright aspect of the outlook for U.S. feed grains in Israel is that country's increasing demand for beef. Production of slaughter cattle has risen—from 62,600 head slaughtered in 1961 to 81,216 in 1964—but has nevertheless failed to keep pace with consumer demand. Although there are other more profitable uses for land, some further increase in slaughter cattle produced in Israel is likely.

There has, however, been a substantial increase in modern slaughter capacity in excess of slaughter cattle production, and Israel is currently attempting to make use of this by importing young calves from the United States. The plan is to feed such calves to slaughter weight, thus augmenting the fresh beef supply and utilizing slaughtering facilities more nearly to capacity.

It is now expected that 10,000 calves may be imported during this year, and in two or three years annual imports are likely to be several times this figure. Feeding of these calves and a somewhat larger number of domestic beef cattle will increase grain import needs and, similarly, should expand the U.S. feed-grain market in Israel.

Mixed feed industry to up output

Israel's mixed feed production has recently been about 780,000 metric tons annually. While there has not been any radical change in the level of feed mixing for some time, this industry is far from static, and the outlook is for increased production.

The small feed-mixing plants run by settlements primarily for producing their own needs, as well as the medium-size commercial plants, are being replaced by large, modern factories servicing entire regions and each with capacities of 90,000 metric tons per year. There are two of these new factories now in operation, and another is under construction. Plans call for at least three more of slightly smaller size. —VOLORUS H. HOUGEN

U.S. Agricultural Attaché, Tel Aviv

World Cotton Consumption at New Peak, Trade Less Promising

The continuing upswing in cotton textile production is expected to carry world cotton consumption to a new record of well over 49 million bales this season, according to the *Annual Review of the World Cotton Situation* released recently by the Secretariat of the International Cotton Advisory Committee.

Encouraging also is the fact that the major increase in consumption has been in countries where per capita consumption of cotton textiles in many cases is still much lower than the world average. On the other hand, the inability of consumption to expand in many net importing countries will result in some decline in international trade in raw cotton but, even so, aggregate exports should remain at a relatively high level.

Output at peak

World production, estimated at a record level of over 51 million bales, is still significantly higher than consumption, and carryover stocks on August 1 will show a substantial rise for the third consecutive season. Increased production has resulted from a further significant expansion in acreage, principally in Mainland China, and a record high average yield for the world as a whole.

In the United States, with no change in average yield from last season's record, a small reduction in harvested acreage caused a corresponding reduction in production. Record or near-record crops were harvested in Central America, the UAR, Syria, Turkey, and Mexico, among the major producers. Sizable increases from abnormally low outturns last season have been achieved in Sudan and Argentina. Smaller crops are indicated in India, Pakistan, and Brazil, as a result of lower yields, and in Spain and Greece, resulting from sharp cutbacks in acreage. Early indications point to another large crop in the USSR and probably a large increase in Mainland China.

World cotton consumption rose sharply last season to regain much of the losses sustained during the previous 3-year decline. The upturn is continuing during the present season and, with a projected increase of some 2 million bales, a new record will be reached.

Consumption in the United States responded favorably to lower domestic mill prices as a result of the equalization payments authorized by legislation effective April 1964. Consumption August 1964 through March 1965 was 7 percent ahead of the same period of last season.

Severe interfiber competition and a deterioration in the trade balance for cotton textiles have had a dampening effect on cotton consumption rates in Western Europe. While a limited improvement in consumption is evident in the United Kingdom, textile production on the Continent has declined in certain major consuming countries, and aggregate consumption for the season will be lower than in 1963-64.

In Japan, cotton consumption has risen sharply this season in spite of a record output of manmade fibers. Mill consumption in India through December was some 8 percent ahead of last season's rate and should set a new record for the full season.

Import demand shows decline

Even though world cotton consumption continues to increase, trade prospects are not as buoyant. Lower consumption rates in several West European countries and a reversal of the stock-building process have caused import demand to decline. Also, with the exception of Japan, the primary surge in consumption is taking place in cotton producing countries, which has little effect on the volume of trade. Preliminary indications are that exports to Mainland China may be somewhat less than last season's unusually large volume.

With only a few exceptions, attributed to unusual local supply conditions, medium-staple upland cotton prices have been quite stable in international markets this season. Export sales prices for U.S. cotton have generally shown a slight steady uptrend. Demand for long-staple upland cottons has been strong and prices have risen some 3 to 4 cents since the beginning of the season. The pressure on supply of extra-long staples has been eased somewhat recently by the prospective larger crop in the Sudan, and prices have adjusted downward.

Regarding prospects for next season, present indications are that the beginning world carryover on August 1, 1965, will be nearly 2 million bales higher than the 26 million bales on hand a year earlier. This would be the largest carryover since the end of World War II. The United States will continue to hold most of the surplus.

Record supplies expected

Early indications are that world cotton acreage will probably expand slightly in 1965-66, and, in view of the larger carryover, it seems probable that total supplies next season could reach a new alltime high. Planted acreage in the United States should not be much different from the present season, but there may be additional areas planted to cotton in the UAR and in the Middle East. Some small expansion is likely also in Central and West Africa.

With the likelihood of another large world crop next season, the increase in cotton consumption takes on added significance. In those countries where the upswing is currently the most noticeable, the situation over the immediate future seems to be quite favorable. On the other hand, in many of the major cotton-consuming areas, rayon and the synthetic fibers are taking an ever-increasing share of the total textile market.

The level of world trade in 1965-66 will depend primarily on the level of consumption in net importing countries, as there is only limited opportunity to consume out of stocks in these countries. All things considered, it would appear that world trade should remain near the level of the present season of around 16.5 million bales. However, possible price implications arising out of the Administration's review of the U.S. cotton situation will certainly be considered carefully by importers in assessing their import requirements.

Oil-Rich Libya Now a Good Cash Market for U.S. Farm Products

Within the short span of the past 5 years, Libya, because of the discovery and exploitation of its petroleum resources, has changed from one of the economically least favored nations of Africa to one of the richest, in terms of foreign exchange.

Prior to the development of the petroleum industry, Libya depended upon outright cash gifts from the United Kingdom and the United States to maintain a viable economy. In 1959, roughly one-half of all Libyan public expenditures came from foreign grants and loans, the United States supplying from $25 million to $30 million a year in either project loans or direct budget support. In contrast, just 3 years later, in 1963, the Libyan Government was able to set aside from its oil revenues over $473 million to launch a 5-year development program.

With regard to trade, Libya has shown spectacular growth. In 1958, imports amounted to slightly over $96 million; in 1963, they were almost three times this figure. Exports in this 5-year period showed an even more phenomenal rise—from approximately $12 million to over $373 million. Of the 1963 total, petroleum products accounted for over 98 percent of foreign sales.

The United States has gained from this reversal in Libya's economic status. Last year it became the No. 1 supplier of Libyan imports, with sales totaling $67.2 million. Of these sales, the amount rising from agricultural commodities is not known for calendar 1964, but those in the 1964 fiscal year totaled nearly $3 million.

A $3-million market, admittedly, is not a large market; nevertheless, these were mainly cash dollar sales. Also, the figure stands up well when one considers that Libya, though more than four times the size of California, has a population of only about 1.5 million people.

What are the prospects for enlarging this market? The limiting factor, of course, is the small number of people. On the other hand, the country's own agriculture is hardly adequate.

Only about 4 percent of the land area has sufficient water and adequate soil to be considered arable. Only two regions, the Gefara-Jabel Nafusah area in Tripolitania and the Al Jabal al Akhdar-Sahel area in Cyrenaica, receive sufficient rainfall to permit dry land farming, and even these regions suffer in off years when insufficient rainfall brings about crop failure.

There are other problems. The oil companies have attracted the young—and many not so young—away from the farms, so that farm operators remaining in the country complain that labor is scarce and expensive. And while food prices have risen in the cities, an adequate portion of the retail price is not getting back to the farmer.

The Libyan Government is well aware of the situation. A comprehensive marketing and price-support program is expected to receive parliamentary sanction soon. And in the country's new development plan, agriculture is slated to receive funds totaling $82 million. But with the limitations that nature has placed upon Libya, agricultural development is directed chiefly to making the best use of very scanty natural resources. Barley is the leading cereal crop, followed by wheat. Olives, peanuts, dates, and citrus fruits are also important. Nomadic flocks constitute the country's animal wealth.

At no time was Libya's agriculture sufficient for the country's needs, and today it is even less so. With oil revenues mounting, many of the Libyans, particularly in the cities, are in a position to buy more food and to vary their diets. This has already been shown. Libya is now the best hard currency market in the Mediterranean area for a multitude of consumer food commodities.

The United States has been fortunate in gaining a share of this market, with little or no effort on the part of exporters. Market development here should prove profitable. There is a chance to secure more of the wheat flour trade, to supply more edible oils, and more feed for livestock. Speciality meats, dairy products, and tobacco also have a potential.

—W. Gordon Loveless
U.S. Agricultural Attaché, Morocco

Big In-Store Promotion of U.S. Foods Underway in Britain

By ELMER B. WINNER
Assistant U.S. Agricultural Attaché
London

A series of in-store promotions has been launched in the United Kingdom this spring to promote the sale of American foods to British housewives. Selfridges, Britain's largest department store and located in the center of London, opened an American fortnight, May 10. The nine Lewis's stores, located in major population centers in the United Kingdom, held similar events May 12-29. Burgis & Colbourne, Leamington Spa, featured U.S. food products May 18-29.

The large Fine Fare chain also has American food promotions in three locations. Fine Fare's Tolworth store, in the suburbs of London and the largest supermarket in England, held an American promotion May 26-June 5. Nine Fine Fare supermarkets in Bristol are featuring U.S. foods June 9-19; and 14 of this same chain will promote American foods from June 23 through July 3.

The scope and organization of these events vary between the various groups of stores. But the purpose is the same: to focus attention on U.S. food products and to increase sales. Store banners, food demonstrations, recipe leaflets, advertising, and other promotional aids all play a part in directing attention to the tastiness, quality, variety, and availability of U.S. foods.

Lewis's at Birmingham

Typical of these promotions was the one held in Birmingham at Lewis's, largest department store in the Midlands. Located in the heart of a population center of 1¼ million people, the store has a food department which alone serves 200,000 customers weekly.

Products from more than 20 American companies—plus a few British firms importing American foods in bulk and packing under their own brand names—were featured in this event. The range of American foods was quite wide: from cake mixes to clam chowder, chop suey to California raisins, pickles to preserves, salad dressings to sliced peaches.

Hub of the storewide promotion was a 4,400-square-foot exhibit area on the fifth floor where a display featured food plus other American products. The food exhibit stretched down both sides of the exhibit area. Extending 80 feet along one side and 65 feet along the other, it provided demonstration, display, and sales space which was staffed by nine attractively uniformed women trained in the promotion of American foods.

Extensive sampling

Tempting dishes greeted the shoppers as they moved along the large display of foods from America—including pastry flans with fruit, rice curries, bean and corn dishes, sponge sandwich, trifle, and knickerbocker glory. They could sample such American foods as California fruit cocktail, pineapple, peaches, pineapple juice, cranberries, chop suey, pickles, and relishes. Recipe leaflets featuring American foods were handed out. Shoppers could buy American foods like California raisin bread.

American food products were also highlighted in the ground-floor food hall, where three additional demonstrators promoted food items that could be demonstrated there more effectively than in the exhibition area.

U.S. food firms

U.S. companies participating in the promotion included: McCormick & Co., Baltimore; L. C. Forman's & Sons, Pittsford, N.Y.; Kraft Foods, Division of National Dairy Products Corp., Chicago; La Choy Food Products, Archbold, Ohio; California Packing Corp., San Francisco; Recipe Foods, Baltimore; Cal. T. Albritton, Tallahassee, Fla.; Ocean Spray Cranberries, Hanson, Mass.; and General Foods Corp., White Plains, N.Y.

Others were Hershey Chocolate Corp., Hershey, Pa.; Bachman Bakeries Corp., Reading, Pa.; General Mills, Inc., Minneapolis; Burhman & Morrill Co., Portland, Maine; S & W Fine Foods, San Francisco; Consolidated Foods Corp., Chicago; Riceland

Rice, Stuttgart, Ark.; Max Lutz Co., McAllen, Texas; Durkee Famous Foods, Cleveland; Valley Canning Co., Anthony, Texas; Vita Food Products, New York; and Uncle Ben's Rice, Houston, Texas.

British importers

In addition, the following British firms which import U.S. foods to pack in Britain also participated: Confection Co., London; Findus Ltd., Croydon, Surrey; Ratcliffe's, Bingley, Yorkshire; Alfred Bird and Sons, Birmingham; and Whitworth's Holdings, Wellingborough, Northants.

The promotion required the support of many groups. American companies working through their British agents supplied nine demonstrators and products for use in the demonstrations. The U.S. Agricultural Attaché's office furnished two demonstrators and their uniforms; banners and other promotional aids; gift parcels of American foods; cups, spoons, and paper plates needed by the demonstrators; and small sacks and carrier bags in red, white, and blue, carrying the message "Enjoy American Foods."

U.S. commodity groups participating were: California Raisin Bureau; the U.S. poultry industry's International Trade Development Board; Rice Council for Market Development; Cranberry Institute; California Prune Advisory Bureau; Lard Information Bureau; and California Cling Peach Advisory Board.

The U.S. Agricultural Attache's office worked closely with the food controller of the nine Lewis's stores in planning and organizing this many-faceted operation.

The food controller for the Lewis's stores, the food merchandising manager, and other management personnel carried a heavy responsibility in shaping up and carrying out this promotion. Their area of operation covered: the design, construction, stocking, and dressing-out of the exhibit area; the supplying of pots and pans for the demonstrators; furnishing of food items other than products furnished by importers; running a contest to attract attention to the food promotion; highlighting U.S. products in the food hall; and many other items necessary for an effective operation.

Increased advertising

Lewis's supported the American promotion through heavy emphasis on the event in their normal advertising program, plus a stepped-up effort just before the promotion opened. On the day before opening, for example, Lewis's advertisement in the Birmingham Evening Mail was increased by one-third in size, and was devoted entirely to the American promotion. The five column x 16-inch ad in this paper with a circulation of 450,000 plugged many items of American goods in the promotion—including "Fabulous American Food." In addition, Lewis's took special ads in the Wolverhampton Express and Star and the Coventry Evening Telegraph—adding another 360,000 circulation to its advertising for this occasion.

Supplementary promotion

During the promotion, Lewis's Birmingham store displayed American foods in one of its windows. And the restaurant added an American touch in decor and menu with place mats furnished by the California Cling Peach Advisory Board providing color. California fruit cocktail and peach flan were featured on the menu.

The Lewis's stores have carried a substantial range of U.S. foods for a long time. However, in preparation for this promotion, the food controller and several of his buyers studied the availability of U.S. food lines in the United Kingdom. They attended the American fruit and vegetable exhibit held earlier this spring at the London Trade Center, and also studied lines shown in the Trade Center's 1964 fall exhibit when more than 100 U.S. companies participated. Result was the addition of a few new lines, plus an extension of the range on others. Thus, shoppers at the Lewis's stores now enjoy a larger selection of American foods than in the past.

Purchases of U.S. foods (left) move past the busy checkout counter at Burgis & Colbourne, Leamington Spa; (below and right) California raisin bread and convenience items are among American foods featured in Lewis's promotion at Birmingham.

U.S. Exhibit at Madrid Farm Fair Enters Final Week as Attendance Approaches 4-Million Mark

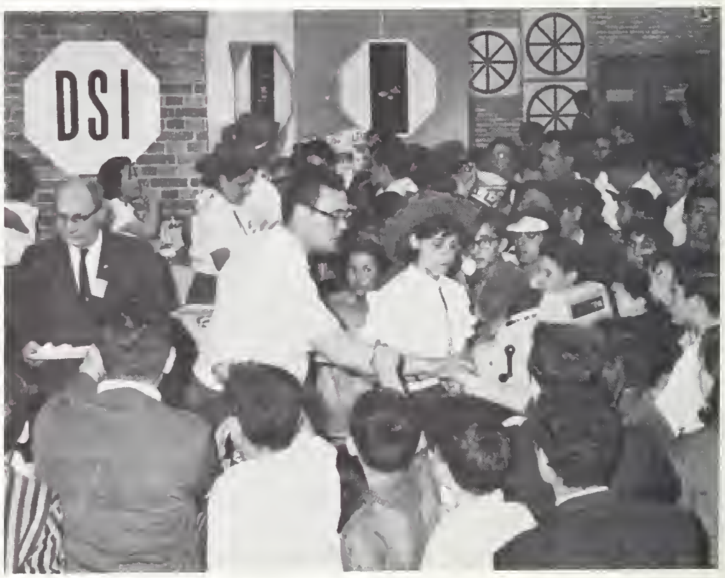
With 1 week to go, the U.S. exhibit at Spain's month-long international farm fair in Madrid has already established itself as the most successful promotion of American foods and feeds ever held in this $88-million market for U.S. agricultural products.

In size, in range of commodities represented, and in attention attracted—the U.S. pavilion is a standout among those of some 12 countries promoting commodities and manufactured goods at Madrid. Before the June 21 closing date, total attendance of consumers and tradespeople from Spain and nearby countries may well have hit the 4-million mark.

The beef exhibit, focal point of the U.S. promotion, is drawing capacity crowds, with—at the show's midpoint—some 50,000 hamburgers and roast beef sandwiches sold at the snack bar and over 2,000 steak dinners at the special steak restaurant. Other items prepared on-the-spot for sampling by fair visitors: soft ice cream, tasty cakes, and charcoal-broiled chicken parts. Sales of soya oil are reported brisk.

Discussions between U.S. and Spanish livestock interests are being held on availabilities and prices of U.S. carcass beef, and feeder, veal, and breeding cattle. Trade interest is also running high for U.S. nonfat dry milk and ice cream mix and feedstuffs, such as soya meal and tallow.

Clockwise from top right: Generalissimo Francisco Franco with U.S. Agricultural Attaché D. M. Crawford; U.S. film star Robert Ryan likes American ice cream as do Spaniards below him; (l-r) Homer Andrew of the U.S. beef industry with FAS's John Ginn; and the U.S. exhibit.



Wheat Sales to Red China, USSR Ease Argentine Surplus

By QUENTIN R. BATES
U.S. Agricultural Attaché
Buenos Aires, Argentina

Massive sales of wheat to Mainland China and the Soviet Union, together with the devaluation of the peso on April 19, have suddenly and dramatically improved Argentina's wheat marketing situation.

The Communist Chinese unexpectedly upped their 1965 wheat purchase commitment from 300,000 metric tons to 1 million; the Soviet Union contracted for 700,000. These large sales took everyone by surprise, including the National Grain Board officials who negotiated them. Combining them with shipments under the Brazilian commitment to purchase 1 million tons in 1965 and with probable sales to other destinations gives a total of approximately 5.3 million tons for the marketing year ending November 30. The export total for calendar 1965 may very well rise to 5.5 million tons.

Equally important in relieving the wheat marketing problem, however, was the government's action in devaluating the peso by about 14 percent and simultaneously imposing export taxes on grains. The National Grain Board, which was exempted from paying the 13-percent tax on wheat, will now be able to sell its large holdings of wheat at a small profit and to recoup part of the losses it sustained earlier in the year.

What the big sales mean

As recently as March, even optimistic observers doubted that Argentina's wheat exports during 1964-65 would substantially exceed 4 million tons. Yet by now the country appears to have obtained outlets for virtually all the wheat that can physically be shipped out from its ports. Even the 5.3-million-ton figure will tax port capacity unless exports of corn and other grains are drastically below their expected levels.

The Chinese and Russian purchases will relieve Argentina of practically all the exportable surplus from its bumper 1964-65 wheat crop and will leave carryover stocks on November 30 at slightly under 2.3 million tons—about the same level as beginning stocks last December. The additional sales will not only bring substantial relief to the national budget and to the country's foreign exchange reserves but will also alleviate the serious clogging of the grain storage and marketing system.

The surprising export story

Argentine Grain Board officials went to Hong Kong in March to discuss terms of the Communist Chinese commitment to buy 300,000 tons of Argentine wheat in 1965. The Chinese response to the Board's offer of additional quantities was a counteroffer to buy a total of 1 million.

Meanwhile, discussions were also underway with the Soviet Union on a tied-sales agreement involving gas-oil and wheat. Despite the skepticism of trade sources as to the reality of Russian interest in Argentine wheat, the agreement reached was highly favorable to Argentina: the Soviets agreed to purchase 700,000 tons of Argentine wheat, including 200,000 tons of durum, and Argentina agreed to purchase 750,000 tons of Russian gas-oil.

Trade sources predict that wheat exports elsewhere during 1965 will shape up about as follows: The United Kingdom, 750,000; Brazil, 1,000,000; Latin America other than Brazil, 650,000; Continental Europe, 1,200,000; other, 50,000 to 100,000.

Devaluation has helped too

On April 19, Argentina's Central Bank allowed the peso to decline from approximately 151 per dollar to between 171 and 173 (it later stabilized at about 171). To prevent exporters from making large windfall profits and to insure that the Grain Board could dispose of its large wheat stocks, the government simultaneously reimposed export taxes and increased the index values for grains (the arbitrary basis on which these and other taxes are calculated). For wheat, the index value went up from 8,200 pesos per metric ton to 9,400 (in May it was reduced to 9,000). The export tax on wheat was set at 13 percent of this index value, until July 31 for exports to Brazil and until June 15 for other exports. Sales made by the Grain Board, however—either direct or to exporters—were exempted from the tax.

These actions came just in time to save the Board from heavy losses on its swollen wheat inventory. Its profits on the remainder of the 1964-65 wheat should substantially outweigh its losses so far this year, although they will not make much of a dent in those it incurred in disposing of the 1963-64 crop.

The abundant 1964-65 wheat crop—harvested in January—is still being officially estimated at 9.15 million tons (336.2 mil. bu.). Trade sources believe, however, that this figure will have to be revised upward later to at least 9.5 million, and some private estimates go as high as 10 million. Even at the lowest figure, it is the third largest crop ever produced in Argentina and has loaded the country's storage and distribution facilities with one of the largest wheat supplies on record. This happened despite a seeded area substantially below the long-term average; the reason was an alltime record yield.

Marketing outlook still cloudy

In terms of marketing possibilities, Argentina's long-range wheat position is still essentially dark, although the unexpected massive sales to Communist countries lifted some of the gloom from the outlook.

For the 1965-66 crop, frequent rains and mild temperatures during April favored seeding preparations, and wheat planting is expected to take place under normal or above-normal conditions. However, the carryover from last year's big crop will still be a fairly burdensome one, and Argentina cannot count with any assurance on a repetition in 1966 of this year's windfall sales. The Grain Board, despite having just had a hairbreadth escape from another disastrous marketing year, recently announced a rise of approximately 10 percent in the support price for the 1965-66 crop. This action was mostly the result of government concern over reports that farmers—discouraged by the uncertainty of returns from wheat and noting that prices for many other field crops and for livestock products were favorable—might decrease wheat acreage by some 15 to 20 percent. The price support increase is considered likely to prevent any such substantial decline.

Belgian Grain Prices for 1965-66

The Ministerial Committee for Economic and Social Coordination has approved the grain prices proposed by the Ministry of Agriculture for the 1965-66 marketing year scheduled to begin July 1. The beginning-of-year target prices at the wholesale level will be $104.80 per metric ton for soft wheat, $89.60 for barley, and $86.60 for rye. The wheat and barley prices are only slightly above those for 1964-65, but the rye price is $3 higher.

Corn and grain sorghums are the leading U.S. grains exported to Belgium. Since these two crops are not grown domestically, Belgium sets no target prices for corn and sorghums, but it is necessary to establish threshold (minimum import) prices for them. The beginning-of-year 1965-66 threshold prices for corn and grain sorghums will be $78.20 and $75.60 per ton, respectively. These prices are slightly higher than in 1964-65, but they are still below the threshold price of $84.00 set for barley, the principal feed grain grown within the Common Market.

The 1965-66 Belgian prices for soft wheat and barley are very near the prices which are expected to be established in Belgium when EEC grain prices are unified in July 1967. However, the price for rye is still considerably below the designated 1967 price, and further upward adjustments will be necessary. These adjustments have been required because rye is used mostly as a feed grain in Belgium, while it is considered a bread grain in EEC grain policy. The price advantage which U.S. corn and grain sorghums now have in the Belgian market will probably be wiped away when EEC grain prices are unified in July 1967.

More Canadian Wheat Sold to Mainland China

On May 25 the Canadian Trade Minister announced a new wheat sale to Mainland China. The amount involved is 58.7 million bushels (1.6 million metric tons). Time of delivery, although not clearly stated, is believed to be between August this year and March next year.

This sale raises the total amount of Canadian grain sold to China under the August 1963 trade agreement to 4.5 million tons. The agreement called for sales of 3 million to 5 million tons between then and August 1966.

Yugoslavia Plans Increase in Mixed Feed Capacity

Yugoslavia is planning to increase its feed-mixing plant capacity from 2 million metric tons to 3.3 million in 1965. Some 30 new plants having a combined capacity of 1.3 million tons are to be built this year.

Currently, most mixed feeds are produced for the large state farms and cooperatives, although during the last few years some feeds have been available at local markets. The additional mill capacity will make more mixed feeds available to private farmers.

Yugoslavia has been emphasizing feeding of domestic grain and increasing livestock production both for export and domestic consumption. The planned 65-percent increase in feed-mixing capacity in 1965 is a move to more fully utilize domestic feed grains in this program.

Japanese Plantings of Cereals Reduced

The Japanese Ministry of Agriculture and Forestry reports that the area planted to wheat, barley, and naked barley is 7 percent below last year's plantings, which in their turn were 14 percent below those of the previous year. Wheat acreage is reported 6 percent below last year's, and barley acreage down about 8 percent.

The reasons given by farmers for reduced plantings are shortage of labor, low returns, and diminished farm consumption of grain.

The abnormally cool spring has set growth conditions back about 10 days, and frost damage may have occurred in various districts.

Argentine Tung Crop Estimated Lower

According to the first official estimate, the 1964-65 Argentine tung nut crop is placed at 57,300 metric tons (63,200 short tons)—significantly below an early unofficial estimate (*Foreign Agriculture,* Nov. 2, 1964). The current estimate of the crop harvested in March-May 1965 is 47 percent below that of 1963-64 and the lowest since 1951-52. This marked decline reflects estimates of more severe damage from the frost of September 1964 than was originally assessed.

Argentine tung oil production in 1965-66, from the frost-damaged nut crop of 1964-65, is now unofficially forecast at roughly 9,500 short tons compared with a revised estimate of 18,700 tons in 1964-65 and 19,900 tons in 1963-64. This forecast is based on an assumed extraction rate of 15.0 percent.

Since 1961, Argentina has ranked first as the major world exporter of tung oil. Exports from Argentina have accounted for more than two-fifths of the world total during this period.

ARGENTINE PRODUCTION OF TUNG NUTS AND TUNG OIL

Year[1]	Tung nut production	Indicated extraction rate	Tung oil outturn
	1,000 short tons	*Percent*	*1,000 short tons*
1960-61	90.4	15.0	([2])
1961-62	121.1	14.4	13.6
1962-63	137.8	14.4	17.4
1963-64	119.0	15.7	19.9
1964-65	[3]63.2	[4]15.0	18.7
1965-66	---	---	[5]9.5

[1] Year beginning August 1. [2] Outturn from nuts produced in preceding year. [3] First official estimate. [4] Assumed. [5] Unofficial forecast.

Tung Oil Shipments From Buenos Aires

Aggregate shipments of tung oil from Buenos Aires during August-April 1964-65 were 18,907 short tons—11 percent below the 21,145 tons shipped in the comparable 1963-64 period. The decline reflects a substantial reduction in exports from Paraguay, somewhat offset by an increase in shipments from Argentina.

Shipments to the United States in April were up sharply from the previous month. Cumulative shipments to the United States in the August-April 1964-65 period, at 10,822 tons, were significantly above the 6,493 and 6,158 tons

shipped in the same periods of 1963-64 and 1962-63, respectively. The proportion of total shipments which moved to the United States was sharply above that in the 2 preceding years.

Tung oil shipments from Buenos Aires to countries other than the United States, chiefly in Western Europe, are substantially below those in 1963-64. The deficit in supplies in these areas is now being satisfied, in part, by increased availabilities from Mainland China.

TUNG OIL SHIPMENTS FROM BUENOS AIRES [1]

Origin and destination	March 1965[2]	April 1964	April 1965[2]	August-April 1963-64	August-April 1964-65[2]
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Argentina:					
To United States	494	351	1,607	2,306	8,200
To other countries[3]	390	1,604	1,169	12,409	7,135
Total	884	1,955	2,776	14,715	15,335
Paraguay:					
To United States	155	315	432	4,187	2,622
To other countries[3]	100	123	2	2,243	950
Total	255	438	434	6,430	3,572
Total:					
To United States	649	666	2,039	6,493	10,822
To other countries[3]	490	1,727	1,171	14,652	8,085
Grand total	1,139	2,393	3,210	21,145	18,907

[1] Presumed to represent virtually all of the tung oil exported from Argentina and Paraguay. [2] Preliminary. [3] Largely to West European countries.

Compiled from shipments data, *Boletín Maritimo*, Buenos Aires.

Angola's Palm Product Exports

Palm exports from Angola in 1964 rose to 17,809 metric tons from 16,732 in 1963. Palm kernel exports declined to 16,693 tons from 18,001 while palm kernel oil exports rose to 2,152 from 1,578.

Nigeria's Exports of Palm Products

Exports of palm products from the Federation of Nigeria during 1964 were palm oil, edible grade, 130,138 long tons compared with 118,921 in 1963, palm oil, technical grade, 4,085 against 6,762 in 1963. Exports of palm kernels totaled 394,188 tons against 398,307 in 1963 and palm kernel oil exports amounted to 863 tons compared with 3,153.

Philippine Exports of Desiccated Coconut

Registered shipments of desiccated coconut from the Philippine Republic in April were 4,752 short tons compared with 4,510 in March. Shipments during January-April totaled 17,683 tons compared with 19,388 in January-April 1964.

Suez Canal Shipments Up Sharply in March

Northbound movements of oil-bearing materials through the Suez Canal in March were 54 percent above those in February and 22 percent above those in March 1964. Moreover, the March shipment was the largest monthly tonnage moving through the Canal since February 1964.

However, shipments through the first half of the U.S. marketing year beginning October 1, 1964, were slightly below those of the comparable period last year. Declines occured in all categories except soybeans and miscellaneous oil-bearing materials.

NORTHBOUND SHIPMENTS OF OIL-BEARING MATERIALS THROUGH THE SUEZ CANAL

Item	March 1964	March 1965	October-March 1964	October-March 1965
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Soybeans[1]	6,354	46,054	40,891	120,572
Copra	73,303	65,728	445,771	412,424
Peanuts	17,560	25,669	114,302	101,207
Cottonseed	13,478	4,922	74,178	58,857
Flaxseed[2]	4,256	3,924	21,142	14,567
Castorbeans	3,916	1,166	43,847	17,344
Palm kernels	4,779	2,208	28,445	14,798
Others	12,622	16,614	58,937	77,947
Total	136,268	166,285	827,513	817,716

[1] 1 metric ton of soybeans equals 36.7 bu. [2] 1 metric ton of flaxseed equals 39.4 bu.

Suez Canal Authority, Cairo, Egypt.

Soybean shipments from Mainland China rose sharply in March to almost 1.7 million bushels, the largest monthly tonnage since August 1964. Shipments during October-March 1964-65 totaled 4.4 million bushels compared with 1.5 million in the first 6 months of 1963-64.

NORTHBOUND SHIPMENTS OF SOYBEANS THROUGH THE SUEZ CANAL

Month and quarter	Year beginning October 1: 1960	1961	1962	1963	1964
	1,000 bushels	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*
January	3,711	2,907	622	661	212
February	1,396	548	451	590	923
March	955	627	255	233	1,692
October-December	919	919	12	19	1,604
January-March	6,062	4,082	1,328	1,484	2,826
April-June	1,213	239	573	706	---
July-September	2,756	327	1,585	4,106	---
October-September	10,950	5,567	3,498	6,315	---

Totals computed from unrounded numbers.

Suez Canal Authority, Cairo, Egypt.

German Leaf Tobacco Usings Up

Usings of leaf tobacco by West German and West Berlin manufacturers during 1964 totaled 286.6 million pounds—up 4.9 percent from the 1963 level of 273.2 million. Larger usings, particularly in the production of cigarettes, combined with moderate increases in the production of cigars and smoking mixtures, accounted for the rise over the previous year. However, leaf usings in the production of chewing tobaccos and snuff continued their downward trends.

WEST GERMAN USINGS OF UNMANUFACTURED TOBACCO, BY PRODUCT

Product	1962[1]	1963[1]	1964[2]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Cigarettes	192,519	197,913	208,829
Cigars	58,567	57,011	58,598
Smoking mixtures	18,413	17,970	18,862
Chewing tobacco	220	189	168
Snuff	126	126	101
Total	269,845	273,209	286,558

[1] Includes West Berlin. [2] Preliminary; subject to revision.

Leaf used in the production of cigarettes totaled 208.8 million pounds compared with 197.9 million in 1963 and 192.5 million in 1962, and accounted for 72.9 percent of total usings, compared with 72.4 percent in 1963 and 71.3 percent in 1962. Leaf usings in the production of both cigars and smoking mixtures turned upward last year

after declining for a number of years, and amounted to 58.6 million and 18.9 million pounds, respectively.

Usings of U.S. leaf in 1964 totaled a record 85.8 million pounds, compared with 80.0 million in 1963, and accounted for 29.9 percent of total usings, compared with 29.3 percent in 1963. Also, the U.S. percentage share of total usings of imported leaf rose to 32.2 percent from 31.8 in 1963.

WEST GERMAN USINGS OF UNMANUFACTURED TOBACCO, BY TYPE OF LEAF

Type	1962[1]	1963[1]	1964[1 2]
	Mil. lb.	*Mil. lb.*	*Mil. lb.*
U.S. leaf	76.9	80.0	85.8
Oriental leaf[3]	70.3	68.8	69.1
Exotic leaf[4]	19.9	19.7	22.5
Indonesia leaf	8.5	7.4	7.2
Other foreign leaf	61.5	67.6	72.0
Blended filler	3.4	4.1	4.4
Homogenized leaf	3.7	4.0	5.1
Domestic leaf	25.6	21.6	20.5
Total	269.8	273.2	286.6

[1] Includes West Berlin. [2] Preliminary; subject to revision. [3] Tobacco originating in Greece, Turkey, Bulgaria, Yugoslavia, and the USSR. [4] Tobacco originating in Central and South American countries, mostly Brazil, Colombia, the Dominican Republic, Mexico, and Cuba.

Usings of oriental leaf rose to 69.1 million pounds from 68.8 million in 1963 but were still below the 1961 level of 70.9 million. As a percent of total usings, oriental leaf represented 24.1 percent in 1964, compared with 25.2 in 1963, 26.1 in 1962, and 26.8 in 1961.

Use of Latin American leaf rose to 22.5 million pounds from 19.7 million in 1963. Use of other imported foreign leaf—particularly from Rhodesia, Japan, Canada, Argentina, Paraguay, Italy, Taiwan, the Philippines, and Thailand—rose to a new high of 72.0 million pounds from 67.6 million for the previous year. Unofficial reports indicate the flue-cured tobaccos from Canada and Far Eastern countries and burley tobaccos from Greece and Italy accounted for most of the increase in this category of leaf from the previous year. Also, unofficial reports indicate that usings of Rhodesian flue-cured tobaccos were just slightly higher than those in 1963 and that burley tobaccos from Japan and Italy declined a little.

Use of domestic leaf continued downward through 1964 and amounted to 20.5 million pounds, compared with 21.6 million in 1963. The combined use of blended filler and homogenized leaf totaled 9.5 million—up 1.4 million.

Stocks of unmanufactured tobacco held by manufacturers and dealers on December 31, 1964, totaled 346.3 million pounds, compared with 319.9 million held on the same date for 1963. Stocks of all kinds of tobaccos except those of U.S. origin were larger than those for the previous year, with oriental leaf accounting for most of the increase. Stocks of oriental leaf totaled 95.4 million pounds, compared with 82.2 million held on December 31, 1963, and were the largest during the past decade.

Portugal's Tobacco Imports Decline Slightly

Portugal's 1964 tobacco imports, at 13.4 million pounds, were 2 percent smaller than the 13.6 million of 1963.

Takings of U.S. leaf last year totaled 6.5 million, compared with 6 million in the previous year, and represented 48 percent of the total imports. Combined imports from the overseas provinces of Angola and Mozambique dropped from 3.7 million in 1963 to 2.7 million last year. Rhodesia, Zambia, and Malawi supplied 1.3 million compared with 1.2 million in 1963. Greece furnished 1.1 million pounds in 1964.

PORTUGAL'S IMPORTS OF UNMANUFACTURED TOBACCO

Origin	1962	1963	1964
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	5,796	5,997	6,479
Angola	1,210	1,080	1,898
Rhodesia, Zambia, Malawi	756	1,175	1,292
Greece	1,454	1,281	1,100
Mozambique	2,199	2,617	851
Mexico	509	---	408
Indonesia	436	278	392
Dominican Republic	47	386	370
Lebanon	---	---	231
Canada	193	137	119
Italy	538	---	---
Others	180	698	246
Total	13,318	13,649	13,386

National Institute of Statistics.

Taiwan's Cigarette Output Rises

Cigarette output in Taiwan during 1964 totaled 12.9 billion pieces—up 3.9 percent from the 12.4 billion produced in 1963. Production of cigars rose to 376,000 pieces from 299,000 in the previous year. Also, smoking tobacco production, at 654,000 pounds, was 11.9 percent above the 1963 figure of 584,000.

Canadian Cotton Consumption Lower in April

Canadian cotton consumption, based on the number of bales opened by mills, totaled 36,519 bales (480 lb. net) in April, compared with 44,912 in March and 43,872 in April of 1964. However, consumption during the first 9 months (August-April) of the current season still totaled 353,535 bales, 3 percent above the 342,891 bales opened in the same period of 1963-64.

Tanzania Grows More Cotton

Cotton production in the United Republic of Tanzania (formerly Tanganyika and Zanzibar) is estimated at a record 230,000 bales (480 lb. net) in the 1964-65 season, 7 percent above the 1963-64 crop of 215,000 and 75 percent above the 1955-59 average of 132,000. This crop ranks second only to sisal in value as an export earner.

Area devoted to cotton this season is placed at about 0.5 million acres. The 1965-66 crop could be even larger than the current crop; reportedly, a larger area was planted.

About 90 percent of Tanzania's cotton, all grown on small holdings, is produced in the area near Lake Victoria; the remainder, in the coastal regions. Planting seed is provided by the Lint and Seed Marketing Board, and unginned cotton is sold for cash to local cooperative societies, which are responsible for moving the cotton to the gins. To an increasing degree, and as a matter of government policy, the gins are being bought by the cooperative societies. All ginned cotton must be sold to the Lint and Seed Marketing Board, which in turn arranges auctions to merchants and shippers.

Most cotton grown in Tanzania is American-upland type. Reportedly, some 75 percent of the 1964-65 crop was equivalent to Strict Middling in grade and 90 percent was

1 1/16 inches and longer in staple.

Practically all of Tanzania's cotton is exported. Hong Kong is currently the principal buyer, followed by Mainland China. Other important markets are Japan, West Germany, the United Kingdom, and Ceylon.

The textile industry in Tanzania is limited to a few weaving plants, which to date have used only imported yarn. Reportedly, a new spinning plant, which is expected to use a small quantity of locally produced cotton, will be installed next year.

France Exports More Canned Milk, Less Dried

France exported 93 million pounds of condensed milk in 1964—an increase of 18 million pounds over 1963. Algeria, long the most important market, was again the heaviest purchaser in 1964, taking 23 million pounds compared with 19 million in 1963. Sales to Greece showed the most marked increase—up to 16 million pounds from 6 million a year earlier. Shipments to Burma, at 6 million pounds, were reduced by about half from 1963. A large part of the remaining sales reported were made to countries in Africa, most of which increased their purchases over 1963.

Evaporated milk exports were up 19 percent to 45 million pounds. West Germany and Algeria were the most important markets, taking 14 million pounds and 10 million pounds respectively. Sales to Italy rose to 4 million pounds from less than 1 million in 1963. Most of the remainder went to countries in Africa.

France's shipments of dried milk in 1964, at 116 million pounds, were 79 million below 1963. Most of the decrease was accounted for by greatly reduced purchases by Italy—from 46 million pounds to 13 million—and the Netherlands—from 45 million pounds to 16 million. Denmark, which purchased 8 million pounds in 1963, purchased only 298,000 in 1964. Sales to West Germany, 10 million pounds, and Spain, 5 million, were little more than half of those of the earlier year. There was some increase in sales to Switzerland and the United Kingdom.

South African Dried Fruit Pack Up Again

South Africa's 1965 dried fruit pack is estimated to be about 3 percent above the 1964 output. Dried apricot, peach, prune, and currant production increased while dried apple, pear, and raisin output declined. The production of certain items such as dried apricots, pears, peaches, and raisins has been steadily expanding and is now substantially higher than in the 1956-60 period.

DRIED FRUIT PRODUCTION IN THE REPUBLIC OF SOUTH AFRICA

Kind	1961	1962	1963	1964	1965[1]
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Apples	90	87	91	158	150
Apricots	817	796	649	1,064	1,437
Pears	327	476	544	752	700
Peaches	993	762	1,714	1,948	2,200
Prunes	1,201	1,740	2,046	1,720	2,300
Currants	883	825	815	887	900
Raisins	6,683	7,697	7,717	9,468	8,735
Total	10,994	[2]13,267	13,576	15,997	16,422

[1] Estimated. [2] Includes 884 tons of mixed fruit which was not included in the above breakdown.

Dried fruit exports in 1964 showed a substantial gain over 1963 with raisins accounting for most of the increase. The United Kingdom was again by far the leading buyer of South African dried fruit.

EXPORTS OF SELECTED DRIED FRUITS BY THE REPUBLIC OF SOUTH AFRICA

Kind	1961	1962	1963	1964
	Short tons	*Short tons*	*Short tons*	*Short tons*
Apples	6	(1)	(1)	(1)
Apricots	602	539	373	548
Peaches	394	133	450	350
Prunes	97	154	161	286
Raisins	2,758	3,839	3,176	4,190

[1] Not separately classified since 1961.

Australian Dried Fruit Prices

The Australian Dried Fruits Control Board has approved the following minimum prices for orders booked to June 30, 1965, f.o.b. Melbourne:

	1965 *Dol. per short ton*	1964 *Dol. per short ton*
New Zealand:		
Currants 3 crown grade	307.50	300.00
Sultanas 4 crown grade	317.50	310.00
Central and South America, Africa and Middle East (excluding the Republic of South Africa), Asia (excluding Japan):[1]		
Currants 3 crown grade	307.50	300.00
Sultanas 4 crown grade	317.50	310.00
Japan:[1]		
Currants 3 crown grade	307.50	300.00
Canada:		
Eastern Canada and Newfoundland:[2]		
Currants 3 crown grade	305.00	300.00
Sultanas 4 crown grade	312.50	307.50
Western Canada and Prairie Provinces:[2]		
Currants 3 crown grade	305.00	300.00
Sultanas 4 crown grade	307.50	302.50

[1] Shipment not later than Dec. 31, 1965. [2] Shipment not later than Nov. 30, 1965.

Minimum prices on orders of 3 crown currants and 4 crown sultanas for shipment to New Zealand booked after June 30, 1965, will be increased by $1.00 per ton, while those to Canada will be increased by $10.00 per ton.

Malaysia Builds Its First Jute Mill

A new jute mill has been established near Penang, Malaysia. This is the first of its kind in Malaysia, and the first joint Malaysia-Pakistan industrial venture. Malaysia holds the controlling share.

The mill will produce cloth bags, and twine for local consumption; it is expected to have a capacity of 5 million bags per year, while output of twine will be about 2,000 tons. Total annual imports of gunny bags into Singapore and Malaya are currently at about 3,500 tons, and twine imports, about 2,000.

Imported raw jute will be used by the mill at first, but domestic jute may soon be available. Jute growing reportedly is planned for Malaysia to help diversify its agriculture.

Malawi To Construct Sugar Factory

A sugar factory to be erected at Nchalo in the Southern Region of Malawi is expected to be in operation by July 1966. Processing capacity initially will be 1,000 tons of sugarcane per day and will eventually have the capability of processing up to 1,500 tons per day. About 4,000 acres of cane are expected to be planted by late 1966.

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

UN00054 AL10001BB2PI 4SB 0001
USDA NAT AGR LIB BELTSVILLE
BR
PLANT INDUS STA
BELTSVILLE MD 20705

To change your address or stop mailing, tear off this sheet and send to Foreign Agricultural Service, U.S. Dept. of Agriculture, Rm. 5918, Washington, D.C. 20250.

Sudan Increases Sugar Imports

Sudan's imports of refined sugar increased from 111,229 metric tons in 1963 to 121,248 in 1964. Sugar has been the major agricultural item imported by the Sudan in recent years.

Taiwan, a major supplier of sugar entering the Sudan in the late 1950's, became a large supplier again in 1964. France supplied 29,710 metric tons of the 99,549 of refined sugar imported by the Sudan during January-September 1964. Other suppliers in 1964 included the UAR, Communist China, Poland, and Hong Kong. Cuba, Rumania, Turkey, and the United Kingdom were important suppliers in 1963, but only small amounts were imported from these countries in 1964.

Increasing consumption of soft drinks, candy, and tea has boosted the demand for sugar. Domestic production is not increasing fast enough to meet the larger demand.

India's Jute Goods Output, Exports Up in 1964

Production in India of jute goods in 1964 set a record of 1,271,400 metric tons, 2.8 percent larger than in 1963, and just 28,600 tons less than the Third Plan target. All varieties of jute goods shared in the increase, including sacking and carpet backing. Mills operated at capacity (771,420 spindles and 74,294 looms) throughout the year except between September and November, when some mills curtailed operations because of a sharp speculative upswing in raw jute prices.

India is the world's largest exporter of jute manufactures. In 1964, its exports totaled 1,056,000 tons—20 percent more than in 1963 and the highest since 1948—and were valued at $368 million. The United States remained the largest single customer, accounting for nearly one-third of the total. The USSR, which has more than quadrupled its purchases of jute goods in the last two years, became India's second largest market. Eastern European countries stepped up purchases and Argentina, Australia, the United Kingdom, and Canada continued as important customers.

WORLD CROPS AND MARKETS INDEX